9.1 Research Visit Based on a Fellowship

If your research visit to Germany is supposed to take place in the framework of a fellowship you may, under certain circumstances, be exempt from taxation under German income tax law. It is certainly worth consulting the organization which has awarded the fellowship on this point. Furthermore, you should find out whether the fellowship paid in Germany is subject to taxation in your own country.

The preconditions for tax exemption on fellowships in Germany are:

- Fellowship awarded from public funds, via a public or non-profit agency (recognized under German law) or by intergovernmental/supranational agencies of which the Federal Republic of Germany is a member
- Fellowship awarded to promote research or academic or artistic training or continuing education
- Fellowship no higher than the amount required to fulfill the research task or to cover living and training needs
- Fellowship granted in accordance with the regulations of the donor
- Fellowship does not involve a quid pro quo requirement or employment of the recipient
9.2 Research Visit Based on an Employment Contract

If your research visit is based on an employment contract in Germany and you have a permanent address or usually reside in Germany, you will be taxed in Germany on your globally-earned income and assets.

Income Tax
Income tax is deducted from your salary at source and paid to the state directly by your employer, i.e. the university. The amount of tax depends on income, marital status and tax bracket. For tax-ation purposes, everyone who is registered or liable to pay tax in Germany is issued with a Tax Identification Number which accesses the personal information on the holder registered at the Residents’ Registration Office (such as whether you are married and have children). The Tax Identification Number is issued for life.

9.3 Double Taxation Agreements

In order to avoid a situation in which foreigners are liable to pay tax both in Germany and in their own countries, double taxation agreements have been signed with many countries. They regulate in which country you have to pay tax.

If you stay in Germany for less than 6 months (183 days), your income will be taxed in your own country provided that you work for a foreign employer and that the double taxation agreement assigns the right of taxation to your own country. If one of these conditions is not met, your salary will be taxed in Germany.

Agreements exist with some countries stating that university teachers and researchers who come to Germany for a maximum (in most cases) of two years to teach or work on research at a public research institution may pay their taxes in their own countries. Details can be found in the double taxation agreements with the Member States of the EU and certain other countries.

For matters relating to double taxation, the Finanzamt Düsseldorf-Süd is responsible for staff at the University of Bonn. This tax office will process applications and allocate the relevant tax bracket. If you have any other questions, you can turn to the department dealing with international tax law at the Finanzamt Düsseldorf-Süd.

Finanzamt Düsseldorf-Süd
Kruppstr. 110–112
40227 Düsseldorf
0211 / 7798 0
www.finanzamt-duesseldorf-sued.de

You will also find useful information, forms and leaflets on the subject of taxation and double taxation in North Rhine-Westphalia on the website of the Regional Tax Office:
www.oberfinanzdirektion-rheinland.de

If your permanent address is in Bonn, one of the two Bonn tax offices will be responsible for your taxation. You can turn to them for general information and forms for your tax return.

Finanzamt Bonn-Innenstadt
Wachbornerring 15
53119 Bonn
0228 / 7180

Finanzamt Bonn-Außenstadt
Bachstraße 36
53159 Bonn
0228 / 72680

You may find the required forms for your tax return also online:
www.formulare-bfinv.de

Insider Info: Tax ID
As soon as you have registered your address in Germany the Federal Central Tax Office will automatically send you your Tax Identification Number by mail. You should then forward this number to the HR Department.

ElsterOnline
ElsterOnline allows you to deal with many tax matters directly from the comfort of your own keyboard - obviating the need for printouts, forms and mailing. In order to access this service, you have to register on the ElsterOnline site using your Tax Identification Number.

www.elsteronline.de

Insider Info
Visit the website of the Federal Ministry of Finance for a list of the countries that have signed double taxation agreements with Germany:
www.bundesfinanzministerium.de
> English > Issues > Taxation > Double Taxation

ElsterOnline
www.elsteronline.de
9.4 Tax Return

At the end of each calendar year you may apply to the tax office at your place of residence for a "Lohnsteuerausgleich" (income tax adjustment). This may entitle you to a partial refund of tax paid. The necessary documents can be obtained online from the Federal Ministry of Finance website or from your local "Finanzamt" (tax office) or "Rathaus" (town hall). You can also submit a tax return electronically via ELSTER (electronic tax return) or from your own country if you have already returned home. It must reach the local tax office by May of the following year; at the very latest by December 31st. When the tax office has processed the tax return you will receive a "Steuerbescheid" (tax statement) informing you whether and to what extent tax will be refunded.

It may be worth paying a "Steuerberater" (tax accountant) to help you complete your tax return.

9.5 Church Tax

An unusual feature of taxation in Germany is state-collected "Kirchensteuer" (church tax). Under certain circumstances, churches can have their tax collected for them by the tax office. In the case of the major churches, church tax (roughly 9% of income tax) is collected by the state together with income tax and automatically deducted from your monthly salary. This is the reason why you are asked to state your religion when you register at the Residents’ Registration Office.

As not all denominations have their tax collected by the state, you may want to ask at the Residents’ Registration Office whether you are liable for church tax.